GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1793
ANSWERED ON:23.08.2007
INCENTIVES TO CHIEF EXECUTIVES/DIRECTORS
Paraste Shri Dalpat Singh

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has recently approved a proposal by giving incentives to Chief Executives or functional Directors who help turn around sick Public Sector Enterprises (PSEs);

(b) if so, the details thereof; and

(c) the manner in which the incentives to Chief Executives/Directors are likely to be helpful for the revival of sick PSEs?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) and (b) : Yes, Sir, In July, 2007 the Government has issued guidelines on appointment of Chief Executives and Functional Directors in sick/loss making Central Public Sector Enterprises (CPSEs) under revival package approved by the Government. These guidelines, inter alia, state that any Board level incumbent who has contributed exceedingly well in the turn around of the sick CPSE, his tenure may be extended till he attains the age of 65 years and in case of fresh appointment of a Chief Executive or any Functional Director, relaxation of cutoff age for applying, to 62 years, with minimum tenure of 3 years, could be considered. Further, Chief Executives and Functional Directors of these CPSEs would be considered for a lump-sum incentive up to maximum of Rs.10 lakh out of the profits of the CPSE besides usual pay, allowances and perks attached to the post.

(c) : The incentives to Chief Executives/ Functional Directors will enable the Government to attract Board level executives capable for turning around sick CPSEs and give them continuity of tenure for the revival package to succeed.